

**CITY OF DELTONA, FLORIDA
ECONOMIC DEVELOPMENT COMMERCE PARK & MICRO-INCUBATOR STUDY
SUB-COMMITTEE MEETING
FRIDAY, JUNE 8, 2012**

A Regular Meeting of the Economic Development Commerce Park & Micro-Incubator Study Sub-Committee was held on Friday, June 8, 2012 in the City of Deltona's 2nd Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

1. CALL TO ORDER:

The meeting was called to order at 3:42 p.m. by Vice Chair Braddy.

2. ROLL CALL:

Chairman	Joe Cerrato	Absent (excused)
Vice Chairman	Roy Braddy	Present
Sub-Committee Member	Bob Desmond	Absent (excused)
Sub-Committee Member	John "Jack" Kesler	Present
Sub-Committee Member	Franklin Welch	Absent
Sub-Committee Member	Jean Guida	Present
Staff Liaison	Jerry Mayes	Present

Also present: Public Sector Participant George Voll, J&J Security, Van Canada, Manager of the Daytona State College Small Business Development Center and John Kizer, Volusia County Dept. of Economic Development.

3. APPROVAL OF MINUTES & AGENDA:

A. Adoption of the Minutes – April 13, 2012:

Vice Chair Braddy asked if everyone had a chance to review the minutes from April 13, 2012 and if there was any discussion; if not a motion is in order.

Motion was made by Mr. Kesler, seconded by Ms. Guida to approve the minutes for April 13, 2012 as submitted.

Motion carried with members present voting unanimous.

B. Additions or Deletions to the Agenda: None

4. WELCOME OF GUESTS & PUBLIC:

Vice Chair Braddy welcomed the guests to the meeting.

5. CITY LIAISON REPORT:

A. Update on Survey Replies:

Mr. Mayes gave an update on the survey replies he has had to date reporting he had received approximately 1,600 surveys back. He stated the surveys have been forwarded to and are being compiled by the Center for Business Excellence. He stated he has received a preliminary report with the very basics of what have been received so far however; they have not gone over the results to try to figure out what it means or how it can be used. He stated there were some very interesting items included and showed a power point slide. He stated the methods of response were by dropping the surveys off at City Hall, Deltona Water, the Deltona Library, the YMCA, electronically or by mail. He stated the majority of the

surveys were dropped off at the Water Department and the majority of those surveys were dropped off by retirees. He stated the survey will be a good one but it will likely be skewed because we do have a large number of retirees. He added 15% put a stamp on the survey and mailed it while 8% did it electronically. He went over other results showing that 55% of the retirees who dropped off the surveys lived in the 32725 zip code while 45% lived in 32738. He stated there were a lot of non-responses when it came to the question of what zip code they worked in; some just wrote in the name of the city where they worked so, someone would need to go through the responses and look up the zip codes and fill them in. He added there was a fairly hefty number who live and work here in Deltona. He stated this is important to us as we are told we do not have a lunch crowd and maybe this shows we are building a lunch crowd. He stated 71% responded yes to the question asking if you would like to see vocational training for HVAC in Deltona. Mr. Voll asked how that question was asked. Mr. Mayes answered as he remembered it was a general question; what would you like to see taught vocation wise in Deltona listing four items including HVAC plus four blanks so other suggestions could be made. He stated other responses included 61% for medical office management and 64% for auto repair. He added 50 respondents suggested accounting. He stated 50% responded they had a high school or equivalent education, 1% had a doctorate, 16% chose other which could possibly be high school with some college, 22% had an AA or AS degree and 11% had a master's degree. Mr. Voll pointed out that you can go to other city's or county's websites and look at the demographics to see comparisons. Mr. Mayes commented it would be interesting to see how the survey compares as they would probably be using census data. He stated they received 94% yes to the question asking if the respondents would support the idea of a business incubator for job development and 73% answered they would support commercial tax breaks to help recruit businesses and jobs to Deltona. He concluded his report with the final question on the survey that asked if SunRail was convenient, affordable and available would you ride it; 73% answered yes.

6. OLD BUSINESS:

A. Public Sector Participants' Contributions: None

7. NEW BUSINESS:

A. Guest Speakers – Ned Harper and Van Canada, Small Business Development Center, Daytona State College to speak on a “Business Assistance Center/Micro Incubator”:

Vice Chairman Braddy introduced Mr. Canada. Mr. Canada stated he would be speaking in general terms about incubators. He began by saying he had read the minutes from past meetings noting that Mr. Hardy had spoken at one of those meetings and Mr. Hardy is probably as good an expert on incubators as there is. He added knowing that he wasn't sure that he could add anything and not knowing where the sub-committee was in the process he would be speaking in general terms. He stated there are varying levels of incubators but incubators are designed to support successful development of entrepreneurial companies through an array of business support and resources. He stated in the beginning incubators were buildings where rooms were provided for young or new businesses to start up with a business assistant that sat out front and a phone line provided. He stated it was found that those companies did not fare any better than a company that started out on its own in a home or garage because the support had not been thought of and put in place. He stated now businesses that are coming through the process are feeling the successes and the success rate of a new or young company going through the incubator process is twice as likely to succeed in the long term as one that does not. He stated there is very solid statistical information to support the incubator process. He stated the most common services supplied to help the success rate include help with business basics such as the structure of four walls, a phone, a mailing address, network activities, marketing assistance, internet services in addition to the phone services, accounting and financial support, access or assistance with bank loans, loan fund guarantees and SBA programs. He stated in his research he found the National Business Incubation Association (NBIA) and printed out some of the information showing some 1,600 members and some of their recommendations in making the incubation process more successful. He added they also gave some

information on what not to expect pointing out that the developers of incubators need to be certain that they set their expectations properly. He reminded the Sub-Committee that an incubator will support and lend success to a certain number of companies that go through the process. He added if you are trying to change the culture of a city from a residential community to a business, high tech or manufacturing community an incubator will not do it and that is why it is important from a committee or City standpoint that you set your expectations properly for what it is you are trying to do. He stated regarding real estate; a lot of time is spent with companies on site selection, demographic studies, and so on but the real estate location is secondary to the support structure. He stated there is a resource library within the NBIA website that has a myriad of information, resources and tool kits that can guide anyone through the process of incubators including historic information. He suggested there is also an educational process that needs to be put in place for basic business services as new or young businesses usually don't have access to entrepreneurial mechanics, marketing methodologies, financial management, reading and management of their own financial statements. He stated a support system including community partners to mentor these incubators is very important and he referred to the UCF program. He stated a lot of thought needs to be put into the direction of the incubator based on the community suggesting a service oriented incubator with plumbers and the like may be a good fit because of the number of rooftops in Deltona. He asked if there were any questions. Mr. Mayes commented a lot of good information had been given and it may cause the sub-committee to rethink some of the ideas they had been discussing. Mr. Canada was asked if his organization operates any programs. Mr. Canada answered they provide support through mentoring with some of the companies that are in the UCF incubator. He stated a lot of the new businesses also attend their new business startup classes and they do provide some one on one mentoring. He added there is a lot of information and support out there from the business community for incubators.

Mr. Mayes asked to move to Item B.

B. Determination of program for the next meeting:

Mr. Mayes asked the group since there isn't a scheduled speaker for the next meeting he would suggest that they bring out some flip charts and think or maybe rethink exactly what they are doing with the micro-incubator. He stated he and Mr. Canada have been working on a business assistance center using one of the classrooms here at City Hall formerly used by Daytona State College but he was not sure at this time if that would come to fruition. He suggested the idea was there could be a small office with the remaining area being used as a classroom where Mr. Canada, S.C.O.R.E. or the Entrepreneur Center could come in and offer classes for the businesses in SW Volusia but mainly Deltona and they could also teach about exporting, government procurement, bidding, etc. to tier two companies. He stated in the beginning the sub-committee talked about having a place for small in-home businesses so they could move out of the home enabling them to grow their businesses and asked if that is what we still want to do with the micro-incubator. He stated another idea was that the micro-incubator could become the seed bed to develop a small commerce park after four or five years as we do not have a commerce park. He asked from what we heard from Mr. Canada today and Mr. Hardy previously is this still what we are looking at doing here or do we need to change our focus or rededicate ourselves. Vice Chairman Braddy stated he agreed in that he believed they now had enough data to compile things and pick a direction. Mr. Kesler agreed and Ms. Guida answered she was still listening but did agree somewhat. Mr. Mayes stated he would like to still see some of the participants continue with their input and maybe add some participants. He asked if Mr. Canada could suggest anyone else to come in with ideas. Vice Chairman Braddy commented he could invite a contact Mark Andrews who chairs an incubator in Daytona Beach to come and speak. It was suggested that maybe someone from Mr. Wanamaker's group would be good as they have a lot of background information on incubators and know about the proper economic development environment for the county as a whole. Mr. Kizer stated he has a background in sales and his thought process runs to who are your customers, what are their needs and how do you expend your resources. He stated every manufacturer in Volusia County is his customer so he plans his time and his year based on

that. Vice Chairman Braddy stated his background is in manufacturing and after hearing Mr. Canada today he was enlightened and realized he had tunnel vision on what he wanted the incubator to be. He added now he needs to open up his thoughts to maybe the service industry. Mr. Kesler asked where we stood with both Orange City and DeLand already having incubators. Vice Chairman Braddy commented he had read in the paper that there was a push to have an incubator in West Volusia but DeLand does not have an incubator at this time. Mr. Mayes stated neither Orange City nor DeLand has an incubator. He added there are no incubators in West or SW Volusia at this time however; we do have survey results that show 73% support an incubator.

Mr. Mayes stated he did have one other item he wanted to bring up. He informed the sub-committee that he had met with Mr. Cerrato and he read a letter from Mr. Cerrato that stated he regretted he would have to resign his position as Chairman of the DEDAB Commerce Park & Micro-Incubator Study Sub-Committee due to personal issues that have arisen but he would like to remain to be a sub-committee member as well as retain his appointment to DEDAB. Also in the letter Mr. Cerrato wrote that he believed the sub-committee is doing a lot of good work and he is confident the Mr. Braddy can lead the team forward. Mr. Mayes stated with this the Sub-committee has a Vice Chair who will move to Chair and he congratulated Mr. Braddy. He asked if the members wanted to elect a Vice Chair at this meeting or wait until the next when more voting members may be in attendance. Chairman Braddy asked if anyone was interested in the position. Mr. Kesler stated he was interested. Chairman Braddy stated he would fully support Mr. Kesler being nominated to be Vice Chair. Mr. Mayes stated there was a quorum; we do not have to have a nomination for the position we simply have to have someone who is willing to except it and then the members would need to vote.

Members present voted unanimously to appoint Mr. Kesler as Vice Chair of the Commerce Park & Micro-Incubator Study Sub-Committee.

Mr. Mayes stated he would notify the City Clerk that Mr. Kesler was appointed to be the Vice Chair.

8. MEMBER COMMENTS:

Vice Chair Kesler commented that he had a question for Mr. Canada in that he had pretty well convinced the sub-committee they shouldn't be looking for manufacturing. Mr. Mayes disagreed by saying he did not think Mr. Canada was trying to convince the sub-committee either way. Mr. Canada stated he did not want to convince anybody. Vice Chair Kesler commented he believed it would depend on the type of manufacturing such as boat building. Mr. Canada agreed that there is all kinds of manufacturing; there is light manufacturing such as a machine shop that would fit just about anywhere unlike boat building that would have some environmental issues and would not work in a micro-incubator. Vice Chair Kesler commented that he just did not want them to give up on manufacturing. Mr. Mayes stated they are not giving up but do they want to dedicate it all to manufacturing; do we want to find small in-home manufacturing companies in Deltona and if there are some ask them if they would be interested in this program. He stated he had been approached by an electrician and others who have expressed a need for a place like a micro-incubator to be able to grow adding that some City Ordinances make it difficult to grow. Mr. Keyser pointed out that Mr. Canada is very skilled at helping this type of business develop a business plan adding that you need to determine if the business wants to grow and if so you need an exit strategy for it at some point as it will need more space. Mr. Mayes agreed suggesting that would be good for a commerce park which would hopefully be right next door.

9. PUBLIC COMMENTS:

Mr. Kiser thanked everyone for allowing him to make some observations.

Mr. Canada commented that he appreciated the invitation to attend and looked forward to coming back.

10. CONFIRMATION OF NEXT MEETING DATE, TIME AND LOCATION.

Next meeting scheduled for Friday, July 13, 2012 at 3:30 p.m. in the 2nd Floor Conference Room.

8. ADJOURNMENT:

Motion was made by Mr. Kesler, seconded by Ms. Guida to adjourn the meeting.

Motion carried with members present voting unanimously.

The meeting adjourned at 4:35 p.m.

Joseph Cerrato, Chairman

ATTEST:

Janet Day, Admin. Assistant II